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OF COUNSEL
WILLIAM G. CONLY

May 28, 2003

Honorable James H. Welsh
Commissioner of Conservation
State of Louisiana
Post Office Box 44275
Baton Rouge, Louisiana 70804-4275

Re: APPLICATION FOR PUBLIC HEARING

Hosston (Travis Peak) Formation and Cotton Valley "D" Zone,
SLIGO FIELD, Bossier Parish, Louisiana.

Dear Sir:

GREYSTONE PETROLEUM, L.L.C. ("Applicant"), hereby respectfully applies for a public hearing to consider evidence relative to the issuance of Orders pertaining to the following matters relating to the Hosston (Travis Peak) Formation and to the Cotton Valley "D" Zone, in the Sligo Field, Bossier Parish, Louisiana:

1. To permit Applicant to drill, designate and utilize an additional alternate unit well for HOSS TP SUB, and an additional alternate unit well for HOSS TP SUC, at the locations shown on attached plats.
2. To permit Applicant to drill, designate and utilize a substitute unit well for CV D SUH at the location shown on an attached plat, in lieu of the substitute unit well location approved by Office of Conservation Order No. 8-B-81, effective September 11, 2001.
3. To approve exceptions to the well location provisions of Office of Conservation Order No. 8-B, effective September 1, 1956, for any of the proposed wells the location of which, as shown on the attached plats, is not in compliance with the provisions of such Order.
4. To find that drilling, designation and use of each of these wells is necessary to efficiently and economically drain a portion of the Hosston (Travis Peak) Formation and the Cotton Valley "D" Zone underlying the units on which these wells are proposed to be drilled which cannot be efficiently and economically drained by any existing well within these units.

Honorable James H. Welsh
May 28, 2003
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The Hosston (Travis Peak) Formation and the Cotton Valley "D" Zone in the Sligo Field, Bossier Parish, Louisiana, were defined in Office of Conservation Order No. 8-B, effective September 1, 1956.

Pertinent data concerning this application is available for inspection at the offices of Mr. Joe B. Adams, 9141 Interline Avenue, Suite 3A, Baton Rouge, Louisiana 70809. Any person desiring to inspect such data should call Mr. Adams at (225) 929-6097 during normal business hours in order to arrange a date and time for such inspection. A copy of any such pertinent data which is not otherwise available from the records of the Louisiana Office of Conservation can be obtained from Applicant at the expense of the requesting party.

As provided by the Revised Rules of Procedure, the subject matter of this application does not require the issuance of a pre-application notice; therefore, no such notice has been issued.

Pursuant to the aforesaid Rules of Procedure, Applicant has made a reasonable effort to obtain the names and addresses of all Interested Owners, Represented Parties and Interested Parties to whom notice of this application is being sent and has attached hereto a list of the names and addresses of such parties. A copy of this letter, and of each of the three (3) attached plats, is being sent to the District Manager of the Shreveport District of the Office of Conservation and to each of the Interested Owners, Represented Parties and Interested Parties shown on the attached list.

Applicant will provide for posting of a copy of the Legal Notice of this hearing and of the enclosed plats at a prominent place in the area affected and will cause publication of the Legal Notice in a newspaper published in the general area of Sligo Field, all in accordance with the Revised Rules of Procedure. Furthermore, a copy of the Legal Notice will be mailed to all Interested Owners, Represented Parties and Interested Parties promptly upon receipt of the Legal Notice from the Commissioner.

A check payable to the Office of Conservation and covering the application fee is enclosed.

Yours very truly,


David L. Smelley

-- Attorney for Grevstone Petroleum, L.L.C.

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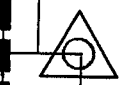
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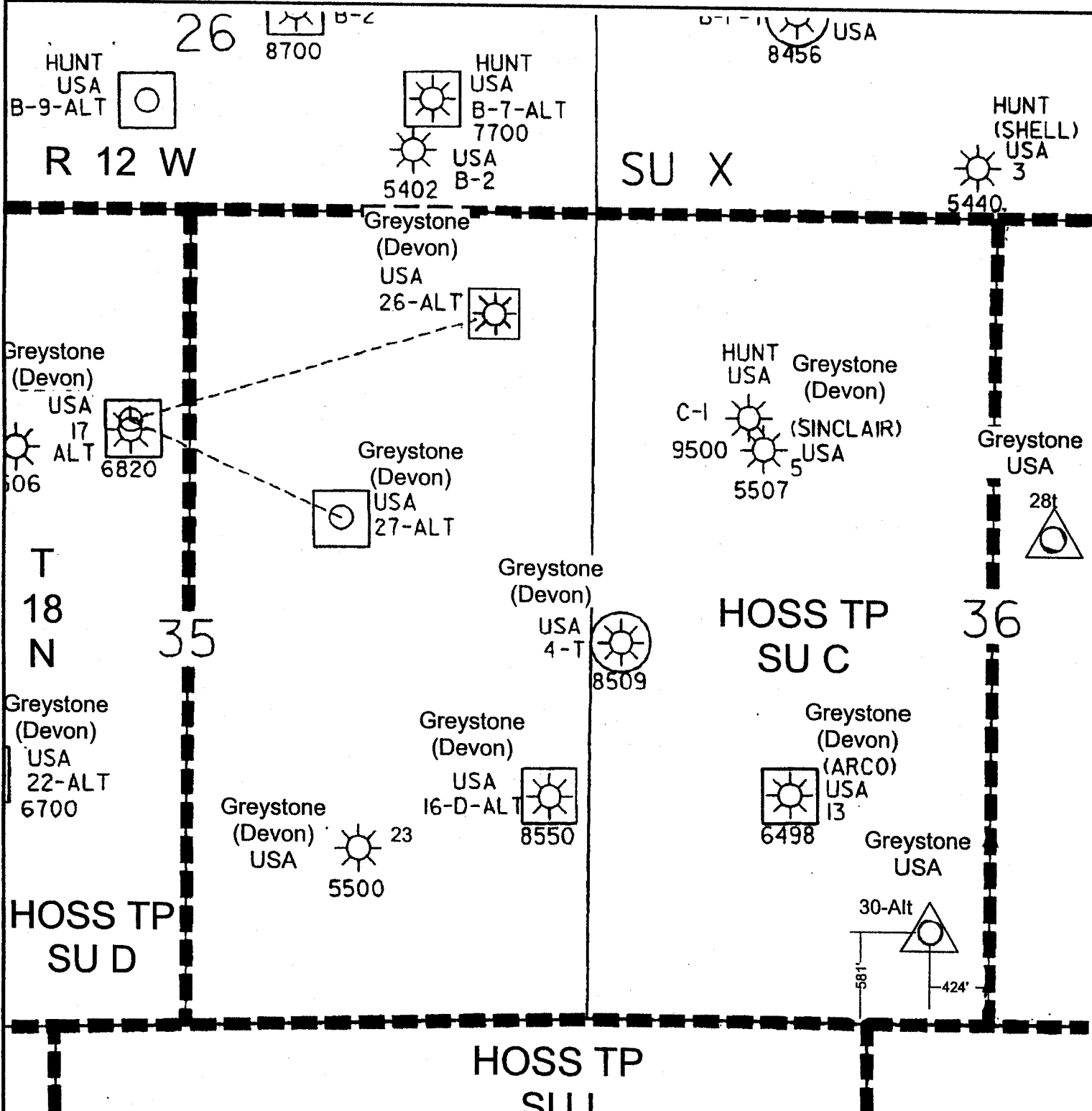
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